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From:

Sent: Monday, November 09, 2009 12:16:41 PM

To:

Cc:

Subject: Right to inspect

Hi

As discussed on the phone, here are direct references for requests 2, 3, and 4 of the TP.

2. Provide written proof that the agent is, by law, entitled to enter the TP property.

IRC §§ 7602(a) and 7605(a) provide the statutory authority for the RA to examine the TP's facilities. Treas. Reg. § 301.7605-1(d)(3)(iii) provides that "the Service may visit the taxpayer's place of business or residence to establish facts that can only be established by direct visit, such as inventory or asset verification."

3. What the objective of the site inspection is.

The RA should explain, within reason, why she **is requesting** to inspect the facility.

4. Why the site inspection is the only means by which the IRS can accomplish their objective.

The explanation of request 3 partially covers request 4. The RA should not be inspecting the TP's facilities if the questions she has are easily answered by other means. But if the inspection provides the RA a sense of the business operation (scope, size, complexity) that cannot be obtained elsewhere, the RA may inspect the premises. See Treas. Reg. § 301.7605-1(d)(3)(iii).

The RA should answer this question by re-stating the reason she is inspecting the facilities, assuming that the explanation, on its face, demonstrates that the questions of the RA can only/best be answered by site inspection.

Call me if you have anything further.